



## ASX Announcement

24 December 2018

### Target Energy completes Divestment of Fairway Project and and Extinguishment of Debt

Target Energy Limited (ASX:TEX) ("Target" or "the Company") is pleased to announce that it has completed the divestment of 100% of its interests in the Fairway Project to Fairway Energy Limited and the extinguishment of the Company's debt (detailed in advice to the market on 28 September 2018).

Settlement of the transaction took place on 21 December 2018.

The restructure, approved by noteholders and shareholders in September and November 2018 respectively, includes:

- the divestment of the Fairway Project to Fairway Energy Ltd in exchange for extinguishing:
  - 90% of the face value of the existing Convertible Noteholder debt,
  - 100% of the Accrued Interest on the Convertible Noteholder debt
- Conversion of remaining Convertible Noteholder debt (10%), existing Secured Loans (100%) and 25% of outstanding Director's fees into Target shares at \$0.001 per share (pre-consolidation basis)
- A 40:1 consolidation of the share capital of TEX.

The current litigation asset in relation to the Fairway Project remains with Target.

An Appendix 3B will follow in due course.

#### Listing Rule 14.7

The Company was granted a waiver from ASX Listing Rule 14.7 on 21 December 2018 in regard to the issue of Target Energy shares to related parties. A copy of the Waiver Decision is attached.

ENDS

For and on behalf of TARGET ENERGY LIMITED

**Laurence Roe**  
**Managing Director**

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### Corporate information

ASX Code: TEX  
OTCQX Code: TEXQY

#### Board of Directors

Laurence Roe, Managing Director  
Stephen Mann, Director  
Matthew Battrick, Director

Dean Calder, Company Secretary

ABN  
73 119 160 360

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*NOTE: In accordance with ASX Listing Rules, any hydrocarbon reserves and/or drilling update information in this report has been reviewed and signed off by Mr. Laurence Roe, B Sc, Managing Director of Target Energy, who is a member of the Society of Exploration Geophysicists and has over 30 years' experience in the sector. He consents to that information in the form and context in which it appears.*



21 December 2018

Mr Matthew Hawtin  
Partner  
Steinepreis Paganin Lawyers  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000

By email: MHawtin@steinpag.com.au

Dear Mr Hawtin

**Target Energy Limited ('TEX'): Waiver Decision**

I refer to your letter dated 30 November 2018 applying on behalf of TEX for a waiver from ASX Listing Rule(s) 14.7.

I am pleased to advise that ASX Limited ('ASX') has decided to grant the waiver(s) you have requested.

ASX's formal decision is as follows:

**DECISION**

1. Based solely on the information provided, ASX Limited ("ASX") grants Target Energy Limited ("Company") a waiver of listing rule 14.7 to the extent necessary to permit the Company to issue the following:

(a) 75,000,000 fully paid ordinary shares in the capital of the Company ('Shares') to Gunz Pty Ltd as trustee for the Gunz Superannuation Fund (or its nominee) (Resolutions 3 and 6);

(b) 35,000,000 shares to Petroe Exploration Services Pty Ltd (or its nominee) (Resolution 4); and

(c) up to 36,287,671 shares to Mr Stephen Mann (or his nominee) (Resolution 9).

(together, the "Shares")

as approved by the Company's shareholders at the General Meeting held on the 5 November 2018 ("GM"), later than three months after the date of the Meeting, on the following conditions:

- 1.1. The Shares are issued no later than 5 February 2019 and otherwise on the same terms and conditions as approved by the Company's shareholders at the AGM.
  - 1.2. The Company immediately releases the terms of this waiver to the market.
2. ASX has considered Listing Rule 14.7 only and makes no statement as to the Company's compliance with other Listing Rules.

**BASIS FOR DECISION**

**Underlying policy**

**Listing Rule 14.7**

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3. Listing Rule 14.7 states that if a notice of meeting states that an entity will do something that the Listing Rules require it to do, the entity must do that thing. This supports the integrity of Listing Rule requirements that forbid a listed entity from taking a particular action unless it has obtained the prior approval of ordinary security holders, and require the giving to security holders of specific information about the proposed action in order for such approval to be validly obtained. Listing Rule 14.7 ensures that an issue of securities approved by security holders conforms to the terms on which security holder approval for the issue was obtained.

#### **Listing Rule 10.13.3**

4. Listing Rule 10.13.3 requires a notice of meeting with a resolution to approve the issue of securities to a related party to state the date by which an entity will issue securities, which must not be more than 1 month after the date of the meeting. Listing Rule 10.13.3 ensures that an issue of securities is made within a reasonably short time after the ordinary security holders approve the issue, so that there is less possibility that the circumstances of the entity may change by the time that the issue is made in such a way that they are different from those that the ordinary security holders may reasonably have had in contemplation at the time of giving their approval.
5. Waivers from Listing Rule 14.7 have typically been granted in circumstances where the delay has been outside the control of the company. ASX has generally been prepared to grant waivers where the requested extension is short, where the circumstances of the company have not materially changed since shareholder approval was given, where the transactions are complex and involve a genuine delay (including due to a regulatory approval process) or when unforeseen complications arise.

#### **Facts and reasons for granting the waiver**

6. The Company obtained shareholder approval on 5 November 2018 for the issue of securities to related parties as part of a debt restructure. The circumstances of the issue have not materially changed since then. The issue of the securities is part of a complex overall transaction aimed at recapitalising the Company. The securities cannot be issued until a number of interdependent conditions precedent have been satisfied, which has been delayed by the actions, or inaction, of third parties, and is therefore outside the Company's control. Additionally, if the waiver is not granted, the Company will be forced to seek shareholder approval again in a situation where shareholders will not be provided with any new information regarding the transaction. The waiver is granted to permit the issue of the securities by no later than 5 February 2019 and on the condition that the terms of the waiver are immediately released to the market.

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**Conditions of waiver(s)**

As you will see, the waiver is subject to certain conditions. Under Listing Rule 18.1.1, these conditions must be complied with for the waiver(s) to be effective.

**ASX's power to vary or revoke waiver**

It should be noted that under ASX Listing Rule 18.3, ASX may vary or revoke the waiver(s) at any time.

**Enquiries**

If you have any further enquiries in relation to this matter, please do not hesitate to contact me.

Kind regards

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**Jessica Coupe**

Listings Adviser, Listings Compliance (Perth)